

**Opening Remarks of Ambassador Rob Portman  
United States Trade Representative  
As Delivered  
American Business Coalition for Doha  
Ronald Reagan Building and International Trade Center  
October 25, 2005**

**AMBASSADOR PORTMAN:** I have looked through briefly all of the various releases that have been given to you all today. And I noticed that a number of them comment on, as John said, the benefits of Doha. And that is exactly what this group is about, which is communicating to the American people why the Doha Round is so important to our economy, why it's so critical to global economic growth and why it's so critical being able to lift literally hundreds of millions of poor around the world out of poverty.

This is a once in a generation opportunity. It doesn't come around often and if we were to miss this opportunity, yes, the United States would be missing out on a tremendous opportunity for our workers, for our farmers and for our service providers to further level the playing field so that American workers and farmers and service providers and firms can compete globally.

If given the opportunity to compete on a fair basis we can compete and we can win. So this coalition that has been formed today is extremely important in helping to communicate that message. I know it will be done through employees, through shareholders, through various suppliers, but it also needs to be broader than that. It needs to be broader; it needs to go to the American consumer. It needs to go to the American working people who are absolutely dependent on exports.

With regard to our farmers, one-third, one out of every three acres planted in America today is sent out of this country as an export. In my home state of Ohio that's true. We would not be able to have the agricultural economy we have in Ohio or in this country without exports. 27% of income now comes from exports.

With regard to our service providers, as you all know, we have almost a \$50 billion surplus in services. Why? Because the United States has the comparative advantage, or a competitive advantage in services. We provide some of the best services in the world. And all we're asking for is a fair shake. All we're asking for is that other countries reduce their barriers just as we've reduced our barriers in this country.

With regard to manufacturing, the United States continues to be the number one exporter of manufactured products in the world. 62% of our exports are manufactured products. Again, what we're asking for here is a reduction of tariffs around the world similar to what we have already done in this country. We're a big, open, free economy. Our average tariff in the manufactured area is about 4.5%. Whereas in the rest of the world you have far higher tariffs.

So this is why the Doha Round is so important. Whether it is with regard to our services industry, our agriculture sector, our manufacturing sector, the United States stands to benefit.

Second, as I said, it also benefits the global economy. There is nothing the economists can point to that could have such a dramatic impact on the global economy than a successful Doha Round. Nothing. Because by increasing the efficiency of the global economy, by knocking down barriers to trade, all of us benefit.

And finally as I said, the Doha offers the best hope for us to be able to deal with the difficult issue of poverty around the world; those who live on \$1, \$2 a day. And what the World Bank economists have done in analyzing this agreement is determined that 300 million people could be lifted out of poverty if the Doha round is successful. I think the International Institute of Economics here in town says it is 500 million people. These are huge numbers. This is a huge impact. This is, again, an opportunity that we cannot allow to go by. An opportunity that we must seize for the benefit of the United States, the global economy and for the world's poor.

So that is what this coalition is about. It is being sure that message is clearly communicated, being sure that that message is heard not just on Capitol Hill, which is very important, my former stomping grounds, but also around this country on main street, at the cafes, on the tractor that people understand that trade is absolutely critical to continued economic growth in this country. And the Doha round offers this opportunity that only comes around once in a decade or once in a generation. To actually provide this benefit, to be able to provide people with the ability to sell their goods, to sell their services in a way that is fair, that there is a level playing field. Where this is this opportunity for America's very efficient and productive workers and farmers and service providers to get a fair shake.

So I thank you, Tom Donohue very much for being here and John Engler is coming I understand. Cal Dooley, my former colleague, is going to speak in a moment. John, again, I thank you and the BRT for what you have done. It's extremely important.

The University of Michigan has done a recent study showing that if the Doha round is successful, there could be a dramatic impact on the annual income here in the United States. They have said that if you were to eliminate trade barriers all together you would see \$7,500 per year annual income increase for a family of four. If we were to just reduce barriers by one-third, which is certainly my expectation and hope for Doha at minimum, then we would have a \$2,500 annual income gain for an American family of four. So these are the kind of very specific benefits that the Doha round promises if we can make progress.

John mentioned the fact that we had come up with a proposal recently, as some of you know, two weeks ago. Yesterday the United States made a dramatic offer on the agricultural front. This was done for the very simple reason that the United States had determined that the talks were deadlocked and that unless there was leadership and unless we offered a bold and aggressive proposal to unlock what had been really for the last not just several months, but few years, difficult times in Doha; that it was not likely that we would have a successful Hong Kong meeting or a successful conclusion of the round by the end of 2006.

So we put our best foot forward. We took a risk. We offered something dramatic. And there is a new sense of energy. I looked through some of these statements this morning I noticed a

number of you have said that the talks have been reenergized in the last couple of weeks. I believe that is true. I believe that also we have a lot of hard work ahead of us.

John, because he's a better diplomat than I am, said that there are some WTO members who are not doing their part right now. I would have been more specific about that. I will tell you that unless we see offers from other countries, particularly the EU on market access, meaning reducing tariffs; we will not be able to have a successful round. The United States has stepped forward with a very aggressive proposal to reduce our own trade distorting subsidies in agriculture. And recall agriculture is central to Doha; has been from the start.

In response to that proposal, we are still waiting for the other side of the coin; which is market access, which is a contingency in our proposal must also be opened up for our farmers and for our ranchers. And that's where we stand right now. The United States joins the world in waiting for an appropriate response on market access. And it's not about pleasing the United States, by the way. It's about meeting the requirements of Doha, which were set out firmly at the outset and were reaffirmed in July of 2004 with the framework agreement which said there would be substantial improvements in market access.

That's what Doha is all about. It's about reducing these barriers to trade so that everybody benefits. Most particularly the developing world. So we are waiting is not an offer that makes the United States happy. It is an offer that meets the requirements of Doha. We have been very specific about that. And the European Union has not been able to come forward with an offer that offers the kind of market access that is required by Doha. The G20, which is a group comprised of developing countries led by India and Brazil, has been very constructive in this.

They have applauded us for making this, again, bold proposal on our trade distorting subsidies, which is also part of Doha. But they have now said now that that pillar in agriculture has been fleshed out, it's time for the European Union to move on market access. They'd probably like us to do even more on trade distorting domestic support but they realize that our offer is a significant one, it's a real one, it's a credible one. It's one that involves some pain here, but only in exchange for, again, our farmers and ranchers having access to the world market in a way that they do not have now because of the very high barriers to trade primarily through high tariffs.

So that's where we are right now. I know that some of you follow this very closely. Probably more closely than I do day to day. And read the tea leaves and look at every nuance. I'm pretty straightforward about this stuff.

The United States wants Hong Kong to be successful. The United States wants the Doha round to come to a successful conclusion at the end of 2006. Make no mistake about it. The United States will not be backing off on having a meeting in Hong Kong. We believe it's important. We believe that it is a milestone toward a successful Doha round. It was never meant to be the completion of Doha but it is an important step in the process of a successful completion. The United States believes strongly that we must deal directly and aggressively also with reducing barriers to services, as I said earlier, and reducing barriers to manufactured products, getting industrial tariffs down.

We will be there shoulder to shoulder with the European Union on those issues. So this notion that somehow the United States is transfixed on agriculture and is not willing to move forward in these other issues is absolutely wrong. We are there. We believe strongly that we ought to be working on all these issues in tandem. We also believe that the reality of Doha is that unless we can unlock the deadlock in agriculture, it will be as a practical matter, impossible to make progress on the other issues. That's a reality that the United States cannot change and nor can the European Union.

So that's where we stand shoulder to shoulder with the people in this room who believe in trade and believe in the promise for our kids and grandkids of an even stronger economy that comes from having a reduction of barriers worldwide to our products, our services, to our workers, farmers and service providers.

I thank you all very much. I understand that I am supposed to take some questions, which I'm happy to do. I don't want to hold up Tom or Cal. Ok. Alright. I look forward to your questions in a moment.

Thanks.